

- The process for reconciling the outstanding database liability reported at the state level with the outstanding database liability totals reported for each individual county.
- The process by which settlement totals to retailers, third party processors, and ATM networks, are reconciled to transaction postings to the clients' EBT accounts.
- The method of accounting for transactions performed by a client within the business day that will not be settled until the following day because of the difference between the EBT system business day cutoff time and the retailer's business day cutoff time.
- The accounting of individual client benefits held on the EBT System's database that make up the client's respective cash and food stamp balance prior to the utilization of the benefits by the client.
- A description of the process for calculating and reporting the new database value for the respective programs (cash and food stamps), specifically addressing the identification and tracking between settled and non-settled (e.g., new benefits, expungements, certain county entered adjustments, food stamp conversions to coupons) transactions.
- The accounting and maintenance of client benefits held on the EBT System's database prior to the availability date of the benefit.
- The accounting of client benefits that are cancelled by the county prior to the availability date of the benefit.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10 Cash Access Plan (Mandatory Optional - Scorable)

The Cash Access Plan is a mandatory scorable requirement.

Maximum possible points for Cash Access Plan:

80 points

Refer to Section 9.3.4.2.6 for detailed scoring methodology.

5.10.1 Cash Access Objectives and Constraints

A primary goal of cash EBT is to ensure that recipients have reasonable access to their cash benefit amount, sufficient to meet their major monthly financial obligations, such as rent and utilities, within the first four (4) cash withdrawal transactions. An additional goal is to ensure that recipients have access to any benefits remaining after the first four (4) cash withdrawal transactions at a reasonable cost to the recipient, and not significantly higher than the Contractor's actual cost of providing the service. The Contractor shall enlist the participation of acquirers in the commercial infrastructure to provide a wide range of access options for recipients. Any qualified ATM or POS acquirer who desires to provide cash access services shall be allowed to do so on equal terms with other acquirers.

In developing a Cash Access Plan, the Bidder should keep the following objectives and constraints in mind.

- Cash EBT is an optional program. Each county will make its decision on whether or not to use EBT for cash benefit issuance based, in part, upon the Contractor's ability to implement a cash solution that provides reasonable access at a feasible cost to the county and the recipients.
- Welfare and Institutions Code, Section 10072(k) requires that recipients may not be charged a fee by the processor for their first four (4) cash withdrawal transactions per case per month.
- The EBT system must provide a reasonable distribution of cash access locations that are free of any fee to recipients, whether that fee is charged by the contractor or the acquirer. In addition, the State requires that recipients have access to their benefits for purchases and cash withdrawals at a wide variety of POS and ATM locations, above and beyond the free access locations. Fees imposed for these transactions, if any, must not exceed fees customarily charged to commercial debit card users.
- California benefit amounts are higher than the national average. The average CalWORKs grant is \$484, but for very large families monthly cash benefits may exceed \$1,300 per month.
- California is large and geographically diverse. An access plan will have to take into consideration this diversity and provide reasonable access in locations where recipients reside. There are inner cities, rural areas and other locations in which cash benefits may not be readily available through existing ATM or POS locations. To provide adequate access in such areas, the Contractor will need to aggressively recruit commercial EFT partners, and may also have to deploy additional devices to provide adequate cash access.
- The State encourages Bidders to develop creative solutions to provide widespread acceptance of the EBT card anywhere that POS or ATM devices exist. Beyond grocery stores and retail stores, the Contractor should include a broad range of locations that already use, or could use, POS or ATM technology.
- The Contractor may consider innovative or non-traditional locations for cash-access, such as community based or charitable organizations and businesses offering financial services.
- The State encourages Bidders to include in the Cash Access Plan cost-effective means for recipients to avoid or minimize the need to use cash. Locations that sell money orders or provide bill payment services are desirable. Other strategies that may reduce the amount of cash that a recipient needs to withdraw from his or her account may also be included.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.2 First Four Cash Withdrawal Transactions

The Contractor shall provide the first four (4) cash withdrawals per case per month without the imposition of a fee by the Contractor. The recipient may conduct these transactions at ATM or

POS locations in any combination (e.g. four ATM, or four POS, or any combination of ATM and POS transactions).

A recipient shall be able to conduct these first four cash withdrawal transactions at locations that impose surcharges if the recipient chooses to do so. Any surcharges incurred by the recipient on the first four cash withdrawal transactions, or any other cash EBT transactions, shall be deducted from the recipient's cash benefit account.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.3 Access via Automatic Teller Machines (ATM)

The State requires the cash access solution to include access through ATM machines. The Contractor is required to enter into an agreement with a major regional network that provides access to a majority of ATM acquirers across the State (such as STAR, CIRRUS, PLUS, or the equivalent). The State understands that inclusion of a regional network does not guarantee surcharge-free access via those ATMs.

In addition, the State strongly desires to have **at least** one ATM acquirer providing statewide ATM access without the imposition of surcharges. Statewide ATM access could be achieved through one major statewide acquirer, or a combination of regional acquirers, that would provide at least one surcharge-free ATM location in a large majority of the counties statewide.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.4 Minimum Access Standard

The State has developed a minimum access standard that is quantifiable, can be reasonably met through the commercial infrastructure, and is flexible enough to allow a variety of cash access solutions throughout the State. The State's minimum access standard combines standards of 1) capacity, 2) proximity, 3) distribution, and 4) alternatives.

The Contractor shall be required to provide cash access to meet the minimum access standard in any county that chooses to use EBT for cash benefit issuance, and shall demonstrate that it has met this standard through the county specific Cash Access Plan. The Contractor shall ensure that the minimum access standard is met throughout the life of the contract.

The State reserves the right to require the Contractor to supplement cash access if, as determined by the State, significant cash access inadequacies become apparent based on actual client usage.

In the event that the Contractor is unable to meet the minimum access standard via the commercial EFT infrastructure, the Contractor shall deploy additional cash access devices (either ATM or POS) to locations accessible to recipients. These locations must be pre-approved by the State and CWD. Deployment of such devices to achieve the minimum access standard requirement shall be included in the cost per case per month (CPCM).

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.4.1 Capacity

The Contractor must provide cash access locations with sufficient capacity to meet the expected demand for cash within a zip code on benefit issuance days.

- Cash access locations are considered to be those locations that will provide cash withdrawal of \$200 or more in one transaction without a surcharge.
- Expected demand shall be based upon the caseload of cash benefit recipients multiplied by the average CalWORKs grant in that county.
- Capacity must factor in the three-day cash benefit staggering schedule.
- Capacity must factor in the expected commercial demand on cash access locations in addition to EBT demand.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.4.2 Proximity

The Contractor shall demonstrate that the requirement to provide sufficient cash access capacity is met through access locations within the zip code where the recipients reside. The State considers that access within the zip code that recipients reside to be sufficient proximity.

If the commercial infrastructure cannot support the caseload of the zip code with adequate capacity, access in a directly bordering part of a neighboring zip code may be used to satisfy the requirement for proximity. For example, a shopping center with ATM access may be two blocks away from a high-density client population, but in a different zip code. With approval of the State and county, this could be used as part of demonstrated access.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.4.3 Distribution

The Contractor must demonstrate that cash access locations are adequately dispersed to provide reasonable access. This relates to both the ratio of cases to access locations, as well as their distribution throughout the zip code. For example, a small number of cash access locations within the zip code, even if they have adequate cash capacity, may be inadequate to serve a large population of clients because they will result in long lines. Alternately, there may be many cash access devices clustered together in a location that is practically inaccessible because it is remote from bus lines.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.4.4 Alternatives

If minimum access cannot be demonstrated using the standards of capacity, proximity and distribution, the State and county may consider alternative solutions to be part of the cash access solution for a particular zip code. The Contractor may demonstrate, with specific details, how access is supplemented through additional acquirers that specifically meet the needs of the recipients in the given zip code or county. Acceptable alternatives may include, for example,

- Ability to pay rent at the public housing where a large percentage of the recipients in the zip code live.
- Locations that provide cash withdrawal of less than \$200 per transaction
- Locations that provide free money orders or bill payment services.

Use of an alternative to meet the minimum access standard will be on an exception basis and subject to the approval of the State and county.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.5 Cash Access Plan

The Cash Access Plan shall describe the Bidder's strategy to provide cash access locations to meet the minimum access standard. In developing its Cash Access Plan, the Bidder shall assume statewide operation of a cash EBT system according to the same implementation schedule as EBT for the FSP, with the understanding that actual implementation of cash EBT is a county-by-

county option.

The Cash Access Plan shall represent the Bidder's best cash access solution available at the time of Proposal submission. The Bidder shall describe its proposed cash solution and any partners that the Bidder intends to include (such as networks, banks, third party processors, or retailers). Any qualified ATM or POS acquirer who desires to provide cash access services shall be allowed to do so on equal terms with other acquirers. To the extent that it is available, the Bidder shall provide documentation of agreements with its partners, describing the type of cash access that will be provided and the terms of participation. The description shall include any reasonably available information about any fees to be imposed on recipients by any partners.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.5.1 Overall Cash Access Strategy

As part of the Cash Access Plan, the Bidders shall demonstrate their understanding of the problems associated with cash access by providing a detailed description of the strategy for providing adequate access. The Cash Access Plan shall describe

- The Bidder's understanding of the California requirements for reasonable access, and what that means in terms of the effort required by the Bidder to develop an EBT infrastructure for Cash Access.
- How the Bidder's previous EBT/EFT experience can be applied to ensure that cash EBT will be implemented successfully in California.
- The likely inadequacies that will be encountered in commercial EFT availability in various areas of California. The Bidder shall describe in-detail its approach to meeting the unique needs of an inner-city area that may have an underdeveloped EFT infrastructure (ATM and/or POS) and a concentration of EBT users. The Bidder should also discuss other problem areas it may have identified.
- How the Bidder would recruit additional EFT partners, describing both outreach efforts and the business case that the Bidder would propose to potential partners for POS/ATM deployment
- What types of locations would the Bidder propose to deploy additional equipment to supplement access, in the event that the commercial infrastructure remains inadequate after recruitment efforts

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.5.2 Additional POS/ATM Locations

Beyond the minimum access standard requirement, the Contractor shall enlist a variety of acquirers that will provide a range of services to cash-EBT recipients. Acquirers that will accept the EBT card for purchase, purchase with cash back, or cash only, with or without surcharges, shall be included. The Cash Access Plan shall estimate the total number of POS and the total number of ATM acquirer locations statewide that may accept the EBT card for access to cash benefits. The Cash Access Plan shall describe how the Bidder has developed its assumptions for acquirer participation. For example, if the Bidder already has agreements with acquirers, it should specify which acquirers and the number of locations, and fees if known. If the Bidder is basing its assumptions on its experience in implementing cash EBT in other States, the Bidder should describe such experience.

The Cash Access Plan also will be scored based on its ability to provide enhanced service or features to recipients. The Cash Access Plan will be awarded points if it includes the types of services described below. Refer to Section 9.3.4.2.6 for detailed scoring methodology.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.5.2.1 Full Cash Withdrawal

The Cash Access Plan will be awarded points if it includes acquirers willing to provide full cash withdrawal services. Full cash withdrawal is defined as the ability to withdraw funds from the cash benefit account up to the available benefit amount in one transaction. Full cash withdrawal service can be with or without a surcharge imposed by the acquirer. The Bidder shall describe its partner(s), the types of services provided, and the quantity and distribution of access locations throughout the state by county and/or zip code.

Any surcharges to be paid by the recipients for full cash withdrawal services shall be clearly specified, to the extent that the Bidder knows them. If the Bidder proposes to pay any nominal transaction fee to acquirers to encourage full cash withdrawal services, such fee shall be specified in the Cash Access Plan. If such an arrangement is proposed, then acquirers entering such agreements shall not be allowed to impose any surcharge or purchase requirements on recipients. Any such fee proposed by the Bidder shall be included in the CPCM. The State will not pay any additional fees directly to retailers or other acquirers.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.5.2.2 Cash Withdrawal of \$200 or more with a Surcharge

The Cash Access Plan will be awarded points if the Bidder includes participation of acquirers able to provide \$200 or more per transaction that may impose a surcharge. The Bidder shall describe its partner(s), the types of services provided, and the quantity and distribution of access locations throughout the state by county and/or zip code. Partners providing full cash withdrawal services (as described in Section 5.10.5.2.1) shall not also be described in this section.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.5.2.3 Financial Services

The Cash Access Plan will be awarded points if the Bidder includes participation of acquirers that allow recipients to avoid or minimize the use of cash (i.e., provide money orders or bill payment services), with or without a surcharge. The Bidder shall describe its partner(s), the types of services provided, and the quantity and distribution of access locations throughout the state by county and/or zip code.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.6 Documentation of Cash Access

The Contractor shall provide documentation of cash access for in the County Cash Access Plan for each county that uses the EBT system for cash benefit issuance. Cash Access documentation shall be updated at least semi-annually, or whenever there is a significant change in the cash access availability, so that it reflects the current cash access available in each county. A significant change could be caused by a change in participation by a major acquirer, a sharp change in caseload, or other circumstance that may change the Contractor's ability to fulfill the minimum access requirement.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.6.1 Demonstration of Capacity

The Contractor must document, using a mathematical analysis, that there is sufficient capacity to meet the expected demand for cash within a zip code on benefit issuance days. The demonstration that the Contractor has provided adequate capacity must show that the daily capacity of surcharge free cash access locations (ATM, POS and any others) exceeds the expected demand for cash within the zip code. The expected demand will calculate the average county benefit amount, multiplied by the caseload, divided by the benefit issuance staggering schedule (i.e. three days). Expected demand must also take into consideration commercial demand at the same locations, as well as a buffer for unanticipated circumstances. The proposal shall show exactly how this analysis will be made and what factors will be included in the calculation.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.6.2 Mapping of Minimum Access

The Contractor shall provide cash access maps by zip code. The maps shall provide a visual indication by street of all locations included in satisfying the minimum access requirement, including

- locations of ATMs participating without a surcharge;
- locations of full cash back POS acquirers and/or check cashiers participating without a surcharge;
- locations of POS acquirers offering \$200 or more cash back without a surcharge; and
- other locations used to satisfy the minimum access standard, if any.

If access locations intended to serve the zip code are actually in a bordering zip code, they shall also be included on the zip code map.

Each type of cash access location shall be designated with a different symbol or color so that they are easily differentiated.

In the proposal, the Bidder is not required to demonstrate through mapping that minimum access is met. However, the Bidder shall provide a sample of the type of mapping that will be provided to meet this requirement.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.6.3 Documentation of Proximity and Distribution of Cash Access

The Contractor shall provide an analysis of the distribution of recipients in the county compared to available cash access locations. This shall include an analysis of the proximity and distribution of available access.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.6.4 Recipient Reference Documentation

The Contractor shall provide a monthly report to each county that chooses EBT for cash benefit issuance of locations where recipients may obtain cash. This report shall include those cash access locations used to satisfy minimum access requirements (i.e. \$200 or more without surcharge), as well as any other acquirers providing cash back, bill payment services, or financial services. The report shall describe, by street address, cash access available to recipients and any restrictions to access, including purchase requirements, limits on cash back, or surcharges at those locations. This report does not need to include acquirers accepting the EBT card only for purchase transactions.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.7 County Cash Access Plan

After contract award, the Contractor shall work closely with the State and CWDs to develop a County Cash Access Plan specific to each county that chooses to use EBT for cash benefit issuance. The State expects the Contractor and CWDs to consult with organizations representing and serving recipients. Each County Cash Access Plan shall be developed based on the geography of the county, density and distribution of the recipients in that county, and the State's minimum access standards. Where the commercial EFT infrastructure fails to meet the minimum access standard, the Contractor shall deploy cash access devices as needed to meet the minimum access requirement. The State and CWD must pre-approve any proposed locations for such deployment. The State would consider non-traditional locations such as utility companies, banks, housing authority offices, and other community locations.

The County Cash Access Plan will be a deliverable that the Contractor will submit to the State at the beginning of the planning and installation phase for each county five (5) months before

conversion is scheduled to begin in that county. All documentation required by Section 5.10.6 shall be provided in the first draft of the County Cash Access Plan at the start of the county review period. The County shall have the opportunity to review and comment on the cash access plan, and to consult with organizations representing and serving recipients. Upon receiving input from the County, the Contractor shall revise the County Cash Access Plan and submit it for State approval. The State must approve each County Cash Access Plan before conversion begins in that county.

The Contractor shall be required to implement cash access in each county according to the County Cash Access Plan that has been submitted by the Contractor and approved by the State. The State reserves the right to require the Contractor to supplement cash access if, as determined by the State, significant cash access inadequacies become apparent based on actual client usage.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.8 Contractor's Fees for Cash Access

The proposal shall identify any transactions that will result in fees charged by the Contractor to the account after the first four (4) cash withdrawal transactions per month. See Section 6.6, Transaction Processing, regarding what types of transactions may result in a fee imposed by the Contractor on the recipient. The Contractor shall not be allowed to change the proposed fee structure during the term of the contract without prior approval of the State.

The amount of these fees must be shown in Section 7, Schedule 7. Do not show the proposed recipient transaction fees in this section

Bidder understands and will comply: Yes _____ No _____

Discussion (if any): _____

5.11 EBT System Innovation

5.11.1 Introduction

The State has adopted an approach for EBT System Innovation that is above and beyond the EBT system development and operations activities specified in Section 6, System and Operations Requirements. The Contractor will play a central role in EBT System Innovation during the life of this contract. Specifically, the Contractor will be expected to identify system improvement opportunities and evolve them into EBT System Innovation Recommendations. At State option,